

ITEL

RECORDATION NO. 8796-N FILED 1988

SEP 26 1988 - 11 15 PM

September 19, 1988

IteI Rail Corporation

55 Francisco Street
San Francisco, California 94133
(415) 984-4000

INTERSTATE COMMERCE COMMISSION

Hon. Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, DC 20423

Re: Amendment No. 2 to Lease Agreement dated January 25, 1977,
between IteI Rail Corporation and Apalachicola Northern
Railroad Company

Dear Ms. McGee:

On behalf of IteI Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 U.S.C. Section 11303(a), along with the \$13 recordation fee.

Please record this Amendment under the Lease Agreement dated January 25, 1977, between IteI Rail Corporation and Apalachicola Northern Railroad Company, which was filed with the ICC on April 27, 1977, under Recordation No. 8796.

The parties to the aforementioned instrument are listed below:

IteI Rail Corporation (Lessor)
55 Francisco Street
San Francisco, California 94133

Apalachicola Northern Railroad Company (Lessee)
300 First Street
Port St. Joe, Florida 32456

This Amendment replaces one hundred forty-nine (149) XM boxcars bearing reporting marks from within the series AN 5000-5399 and AN 5818-5875 with AN 2001-2201 (n.s.) and adds one hundred (100) XM boxcars bearing reporting marks AN 5000-5199.

Please return to the undersigned the stamped counterparts not required for filing purposes, together with the ICC fee receipt and acknowledgment letter.

Very truly yours,

Patricia Schumacker

Patricia Schumacker
Legal Department

SEP 26 1988 - 11 15 PM

AMENDMENT NO. 2

INTERSTATE COMMERCE COMMISSION

THIS AMENDMENT NO. 2 (the "Amendment") to the Lease Agreement dated as of January 25, 1977, as amended, (the "Agreement") between ITTEL RAIL CORPORATION, as successor in interest to SSI Rail Corp. ("Lessor"), and APALACHICOLA NORTHERN RAILROAD COMPANY ("Lessee") is made as of this 7th day of September, 1988 between Lessor and Lessee.

R E C I T A L S:

- A. Lessor and Lessee are parties to the Agreement pursuant to which eight hundred (800) boxcars (the "Boxcars") described therein have been leased by Lessor to Lessee.
- B. The fifteen (15) Boxcars bearing reporting marks AN 5085, AN 5123, AN 5160, AN 5223, AN 5239, AN 5243, AN 5252, AN 5321, AN 5444, AN 5462, AN 5515, AN 5645, AN 5714, AN 5735 and AN 5741 were destroyed on August 6, 1986, November 24, 1987, March 19, 1984, May 31, 1988, December 15, 1987, December 15, 1987, October 28, 1986, December 15, 1987, March 14, 1986, October 21, 1986, May 18, 1988, December 9, 1987, October 21, 1986, December 15, 1987 and June 23, 1987, respectively.
- C. Pursuant to a letter dated March 9, 1988 ("Letter"), the parties agreed to terminate from the Agreement one hundred forty-nine (149) Boxcars bearing reporting marks from within the series AN 5000-5399 and AN 5815-5875 and to add to the Agreement, effective as of the first day of the calendar month following the date on which the last of the one hundred forty-nine (149) Boxcars bearing reporting marks from within the series AN 5000-5399 and AN 5815-5875 was remarked, one hundred forty-nine (149) Boxcars bearing reporting marks from within the series AN 2001-2201.
- D. Pursuant to a Notification Letter dated June 13, 1988, Lessor is in the process of terminating an additional one hundred (100) Boxcars bearing reporting marks from AN 5000-5199 from the Agreement.
- E. This Amendment will incorporate the changes to the Agreement set forth in Recitals B and C hereinabove.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree to amend the Agreement as follows:

- 1. All terms defined in the Agreement shall have the meanings defined therein when used in this Amendment.
- 2. Effective as of August 1, 1988, Equipment Schedules No. 1.A., 2.A., 3 and 4.A. to the Agreement are replaced by Equipment Schedules No. 1.B., 2.B., 3.A. and 4.B. attached hereto. ~~Equipment Schedule No. 5 is added to the Agreement.~~ *8/26/88* *SPM*
- 3. Subsection 2.A. is replaced by the following:

"This Agreement shall remain in full force and effect until it shall have been terminated as to all Boxcars as provided herein. The term of this Agreement with respect to each Boxcar shall

commence on the date such Boxcar was delivered pursuant to Subsection 3.A. and shall continue for all Boxcars on each Schedule through and including fifteen (15) years after the last Boxcar on such Schedule was delivered, with the exception of the Boxcars bearing reporting marks AN 5800-5814 (which were added to the Schedules as Boxcars replacing destroyed Boxcars), and the Boxcars bearing reporting marks AN 2001, 2003-2061, 2063-2089, 2091-2152, for which the term of this Agreement shall commence on August 1, 1988 and shall continue through and including July 6, 1992."

4. Except as expressly modified by the Amendment, all terms and provisions of the Agreement shall remain in full force and effect with respect to all of the Cars subject to the Agreement.
5. This Amendment may be executed by the parties hereto in any number of counterparts, and all said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAIL CORPORATION

APALACHICOLA NORTHERN RAILROAD
COMPANY

By: *D. P. Hayes*
Title: *President*
Date: *9/7/88*

By: *J. E. Johnston, Jr.*
Title: *Vice President*
Date: *8/26/88*

EQUIPMENT SCHEDULE NO. 1.B.

Itel Rail Corporation hereby leases the following Cars to Apalachicola Northern Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of January 25, 1977, as amended.

AAR Mech Design.	Description	Numbers	Length	Dimensions		Doors Width	No. of Cars
				Inside Width	Height		
XM	50' General Purpose Boxcar, with 10" end of car cushioning	AN 5000-5002,	50'6"	9'6"	11'2"	10'	118
		5004-5005,					
		5010-5011,					
		5013-5014,					
		5016, 5018,					
		5020-5021,					
		5023, 5028,					
		5030, 5034-					
		5035, 5038-					
		5040, 5042-					
		5043, 5048-					
		5054, 5056-					
		5061, 5063-					
		5066, 5069,					
		5071-5074,					
		5076, 5078-					
		5084, 5086,					
		5089-5090,					
		5093, 5095,					
		5098-5099,					
		5104-5106,					
		5108, 5111-					
		5114, 5116-					
		5122, 5124,					
		5128, 5130-					
		5131, 5133,					
		5138-5140,					
		5142-5144,					
		5146-5147,					
		5050-5151,					
		5153, 5156-					
		5159, 5161-					
		5162, 5167-					
		5169, 5171,					
		5175, 5177-					
		5180, 5182-					
		5183, 5186,					
		5189-5190,					
		5192-5194,					
		5196-5199					

AAR Mech Design.	Description	Numbers	Dimen- sions	Height	Doors Width	No. of Cars
		Length	Inside Width			
XM	50' General Purpose Boxcar, with 10" end of car cushioning	AN 5800-5805	50'6"	9'6"	11'1"	10' 6
XM	50' General Purpose Boxcar, Plate B, End of Car Cushioning	AN 2001, 2003-2061, 2063-2075	50'6"	9'6"	10'7"	10' slid- ing 73

This Equipment Schedule replaces Equipment Schedule 1.A. executed as of January 8, 1986.

ITEL RAIL CORPORATION
COMPANY

By: _____

Title: _____

Date: _____

APALACHICOLA NORTHERN RAILROAD

By: _____

Title: _____

Date: _____

EQUIPMENT SCHEDULE NO. 2.B.

Itel Rail Corporation hereby leases the following Cars to Apalachicola Northern Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of January 25, 1977, as amended.

AAR Mech Design.	Description	Numbers	Length	Dimensions		Doors Width	No. of Cars
				Inside Width	Height		
XM	50' General Purpose Boxcar, with 10" end of car cushioning	AN 5200-	50'6"	9'6"	11'2"	10'	111
		5202, 5206,					
		5211-5212,					
		5214-5215,					
		5217-5218,					
		5120-5221,					
		5224-5225,					
		5228, 5230-					
		5231, 5233-					
		5237, 5241-					
		5242, 5244,					
		5246-5249,					
		5251, 5253,					
		5255, 5257,					
		5260, 5262-					
		5264, 5267-					
		5271, 5276-					
		5278, 5281-					
		5283, 5285,					
		5288, 5291,					
		5293, 5295-					
		5296, 5298-					
		5299, 5305-					
		5306, 5309,					
		5311-5318,					
		5323, 5327-					
		5328, 5332,					
		5334-5336,					
		5338-5339,					
		5341-5342,					
		5346-5350,					
		5352-5354,					
		5356-5359,					
		5361-5362,					
		5364-5365,					
		5368, 5370,					
		5373, 5376,					
		5380-5382,					
		5385-5388,					
		5391, 5393-					
		5395, 5398-					
		5399					

AAR Mech Design.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
XM	50' General Purpose Boxcar, with 10" end of car cushioning	AN 5806-5813	50'6"	9'6"	11'1"	10'	8
XM	50' General Purpose Boxcar, Plate B, End of Car Cushioning	AN 2076-2089, 2091-2100, 2102-2152	50'6"	9'6"	10'7"	10' sliding	75
XM	General Purpose Boxcar, Plate B, end of car cushioning	AN 2101	50'6"	9'6"	10'8"	10' sliding	1

This Equipment Schedule replaces Equipment Schedule 2.A. executed as of January 8, 1986.

ITEL RAIL CORPORATION
COMPANY

APALACHICOLA NORTHERN RAILROAD

By: _____

[Signature]

By: _____

[Signature]

Title: _____

[Signature]

Title: _____

[Signature]

Date: _____

9/7/88

Date: _____

8/26/88

EQUIPMENT SCHEDULE NO. 3.A.

Itel Rail Corporation hereby leases the following Cars to Apalachicola Northern Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of January 25, 1977, as amended.

AAR Mech Design.	Description	Numbers	Length	Dimensions		Doors Width	No. of Cars
				Inside Width	Height		
XM	50' General Purpose Boxcar, end of car cushioning	AN 5400-5443, 5445-5461, 5463-5514, 5516-5599	50'6"	9'6"	11'2"	10'	197

This Equipment Schedule replaces Equipment Schedule 3 executed as of December 2, 1977.

ITEL RAIL CORPORATION
COMPANY

APALACHICOLA NORTHERN RAILROAD

By: *D. L. Hughes*

By: *J. E. Johnston, Jr.*

Title: *President*

Title: *Vice President*

Date: *9/7/88*

Date: *8/26/88*

EQUIPMENT SCHEDULE NO. 4.B.

Itel Rail Corporation hereby leases the following Cars to Apalachicola Northern Railroad Company subject to the terms and conditions of that certain Lease Agreement dated as of January 25, 1977, as amended.

AAR Mech Design.	Description	Numbers	Length	Dimensions		Doors Width	No. of Cars
				Inside Width	Height		
XM	50' General Purpose Boxcar, with end of car cushioning, Plate C	AN 5600-5644, 5646-5648, 5650-5713, 5715-5734, 5736-5740, 5742-5799	50'6"	9'6"	11'2"	10'	195
XM	50' General Purpose Boxcar, with 10" end of car cushioning, Plate C	AN 5814	50'6"	9'6"	11'1"	10'	1

This Equipment Schedule replaces Equipment Schedule 4.A. executed as of January 8, 1986.

ITEL RAIL CORPORATION

By: _____

Title: _____

Date: _____

APALACHICOLA NORTHERN RAILROAD COMPANY

By: _____

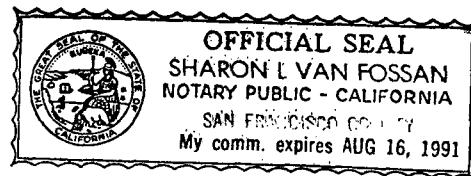
Title: _____

Date: _____

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 7th day of September, 1988, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Amendment No. 2 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said of corporation.

Sharon L. Van Fossan
Notary Public



STATE OF FLORIDA)
) ss:
COUNTY OF DADE)

On this 20th day of August, 1988, before me personally appeared T. E. JOHNSON, JR., to me personally known, who being by me duly sworn says that such person is VICE PRESIDENT of Apalachicola Railroad Company that the foregoing Amendment No. 2 was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said of corporation.

Sharon L. Van Fossan
Notary Public

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. FEB 18, 1991
BONDED THRU GENERAL INS. UND.